

**SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION**

**S.F. No. 4604**

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DATE	D-PG	OFFICIAL STATUS
03/18/2026	6818	Introduction and first reading Referred to Health and Human Services
03/26/2026	7015a	Comm report: To pass as amended and re-refer to Human Services

1.1 A bill for an act

1.2 relating to human services; requiring compliance training for high-risk medical

1.3 assistance providers; requiring disclosure of the use of consultants to prepare

1.4 certain license applications; requiring the establishment of an early and often

1.5 licensor and compliance team; requiring the establishment of a provider support

1.6 and technical assistance team; amending Minnesota Statutes 2024, sections

1.7 245A.042, by adding a subdivision; 256.01, by adding a subdivision; Minnesota

1.8 Statutes 2025 Supplement, sections 245A.04, subdivisions 1, 7; 245A.05; 256B.051,

1.9 subdivision 6; 256B.0701, subdivision 9; proposing coding for new law in

1.10 Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2025 Supplement,

1.11 sections 256B.051, subdivision 6b; 256B.0701, subdivision 11.

1.12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.13 Section 1. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 1, is

1.14 amended to read:

1.15 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government

1.16 entity that is subject to licensure under section 245A.03 must apply for a license. The

1.17 application must be made on the forms and in the manner prescribed by the commissioner.

1.18 The commissioner shall provide the applicant with instruction in completing the application

1.19 and provide information about the rules and requirements of other state agencies that affect

1.20 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of

1.21 Minnesota must have a program office located within 30 miles of the Minnesota border.

1.22 An applicant who intends to buy or otherwise acquire a program or services licensed under

1.23 this chapter that is owned by another license holder must apply for a license under this

1.24 chapter and comply with the application procedures in this section and section 245A.043.

1.25 The commissioner shall act on the application within 90 working days after a complete

1.26 application and any required reports have been received from other state agencies or

2.1 departments, counties, municipalities, or other political subdivisions. The commissioner  
2.2 shall not consider an application to be complete until the commissioner receives all of the  
2.3 required information. If the applicant or a controlling individual is the subject of a pending  
2.4 administrative, civil, or criminal investigation, the application is not complete until the  
2.5 investigation has closed or the related legal proceedings are complete.

2.6 When the commissioner receives an application for initial licensure that is incomplete  
2.7 because the applicant failed to submit required documents or that is substantially deficient  
2.8 because the documents submitted do not meet licensing requirements, the commissioner  
2.9 shall provide the applicant written notice that the application is incomplete or substantially  
2.10 deficient. In the written notice to the applicant the commissioner shall identify documents  
2.11 that are missing or deficient and give the applicant 45 days to resubmit a second application  
2.12 that is substantially complete. An applicant's failure to submit a substantially complete  
2.13 application after receiving notice from the commissioner is a basis for license denial under  
2.14 section 245A.043.

2.15 (b) An application for licensure must identify all controlling individuals as defined in  
2.16 section 245A.02, subdivision 5a, and must designate one individual to be the authorized  
2.17 agent. The application must be signed by the authorized agent and must include the authorized  
2.18 agent's first, middle, and last name; mailing address; and email address. By submitting an  
2.19 application for licensure, the authorized agent consents to electronic communication with  
2.20 the commissioner throughout the application process. The authorized agent must be  
2.21 authorized to accept service on behalf of all of the controlling individuals. A government  
2.22 entity that holds multiple licenses under this chapter may designate one authorized agent  
2.23 for all licenses issued under this chapter or may designate a different authorized agent for  
2.24 each license. Service on the authorized agent is service on all of the controlling individuals.  
2.25 It is not a defense to any action arising under this chapter that service was not made on each  
2.26 controlling individual. The designation of a controlling individual as the authorized agent  
2.27 under this paragraph does not affect the legal responsibility of any other controlling individual  
2.28 under this chapter.

2.29 (c) An applicant or license holder must have a policy that prohibits license holders,  
2.30 employees, subcontractors, and volunteers, when directly responsible for persons served  
2.31 by the program, from abusing prescription medication or being in any manner under the  
2.32 influence of a chemical that impairs the individual's ability to provide services or care. The  
2.33 license holder must train employees, subcontractors, and volunteers about the program's  
2.34 drug and alcohol policy before the employee, subcontractor, or volunteer has direct contact,  
2.35 as defined in section 245C.02, subdivision 11, with a person served by the program.

3.1 (d) An applicant and license holder must have a program grievance procedure that permits  
3.2 persons served by the program and their authorized representatives to bring a grievance to  
3.3 the highest level of authority in the program.

3.4 (e) The commissioner may limit communication during the application process to the  
3.5 authorized agent or the controlling individuals identified on the license application and for  
3.6 whom a background study was initiated under chapter 245C. Upon implementation of the  
3.7 provider licensing and reporting hub, applicants and license holders must use the hub in the  
3.8 manner prescribed by the commissioner. The commissioner may require the applicant,  
3.9 except for child foster care, to demonstrate competence in the applicable licensing  
3.10 requirements by successfully completing a written examination. The commissioner may  
3.11 develop a prescribed written examination format.

3.12 (f) When an applicant is an individual, the applicant must provide:

3.13 (1) the applicant's taxpayer identification numbers including the Social Security number  
3.14 or Minnesota tax identification number, and federal employer identification number if the  
3.15 applicant has employees;

3.16 (2) at the request of the commissioner, a copy of the most recent filing with the secretary  
3.17 of state that includes the complete business name, if any;

3.18 (3) if doing business under a different name, the doing business as (DBA) name, as  
3.19 registered with the secretary of state;

3.20 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique  
3.21 Minnesota Provider Identifier (UMPI) number; and

3.22 (5) at the request of the commissioner, the notarized signature of the applicant or  
3.23 authorized agent.

3.24 (g) When an applicant is an organization, the applicant must provide:

3.25 (1) the applicant's taxpayer identification numbers including the Minnesota tax  
3.26 identification number and federal employer identification number;

3.27 (2) at the request of the commissioner, a copy of the most recent filing with the secretary  
3.28 of state that includes the complete business name, and if doing business under a different  
3.29 name, the doing business as (DBA) name, as registered with the secretary of state;

3.30 (3) the first, middle, and last name, and address for all individuals who will be controlling  
3.31 individuals, including all officers, owners, and managerial officials as defined in section

4.1 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant  
4.2 for each controlling individual;

4.3 (4) if applicable, the applicant's NPI number and UMPI number;

4.4 (5) the documents that created the organization and that determine the organization's  
4.5 internal governance and the relations among the persons that own the organization, have  
4.6 an interest in the organization, or are members of the organization, in each case as provided  
4.7 or authorized by the organization's governing statute, which may include a partnership  
4.8 agreement, bylaws, articles of organization, organizational chart, and operating agreement,  
4.9 or comparable documents as provided in the organization's governing statute; and

4.10 (6) the notarized signature of the applicant or authorized agent.

4.11 (h) When the applicant is a government entity, the applicant must provide:

4.12 (1) the name of the government agency, political subdivision, or other unit of government  
4.13 seeking the license and the name of the program or services that will be licensed;

4.14 (2) the applicant's taxpayer identification numbers including the Minnesota tax  
4.15 identification number and federal employer identification number;

4.16 (3) a letter signed by the manager, administrator, or other executive of the government  
4.17 entity authorizing the submission of the license application; and

4.18 (4) if applicable, the applicant's NPI number and UMPI number.

4.19 (i) At the time of application for licensure or renewal of a license under this chapter, the  
4.20 applicant or license holder must acknowledge on the form provided by the commissioner  
4.21 if the applicant or license holder elects to receive any public funding reimbursement from  
4.22 the commissioner for services provided under the license that:

4.23 (1) the applicant's or license holder's compliance with the provider enrollment agreement  
4.24 or registration requirements for receipt of public funding may be monitored by the  
4.25 commissioner as part of a licensing investigation or licensing inspection; and

4.26 (2) noncompliance with the provider enrollment agreement or registration requirements  
4.27 for receipt of public funding that is identified through a licensing investigation or licensing  
4.28 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for  
4.29 reimbursement for a service, may result in:

4.30 (i) a correction order or a conditional license under section 245A.06, or sanctions under  
4.31 section 245A.07;

5.1 (ii) nonpayment of claims submitted by the license holder for public program  
5.2 reimbursement;

5.3 (iii) recovery of payments made for the service;

5.4 (iv) disenrollment in the public payment program; or

5.5 (v) other administrative, civil, or criminal penalties as provided by law.

5.6 (j) An applicant or license holder who acknowledges under paragraph (i) that the applicant  
5.7 or license holder elects to receive any publicly funded reimbursement from the commissioner  
5.8 for services provided under the license that are designated by the commissioner as high-risk  
5.9 under section 256B.04, subdivision 21, must provide an attestation with the notarized  
5.10 signature of the applicant or authorized agent stating whether the applicant or authorized  
5.11 agent received from an unaffiliated business or consultant any assistance preparing:

5.12 (1) the application;

5.13 (2) the renewal;

5.14 (3) any documentation or written policies submitted with the application;

5.15 (4) any documentation or written policies submitted with the renewal; or

5.16 (5) any documentation or written policies maintained as a requirement of licensure or  
5.17 enrollment as a medical assistance provider.

5.18 Sec. 2. Minnesota Statutes 2025 Supplement, section 245A.04, subdivision 7, is amended  
5.19 to read:

5.20 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that  
5.21 the program complies with all applicable rules and laws, the commissioner shall issue a  
5.22 license consistent with this section or, if applicable, a temporary change of ownership license  
5.23 under section 245A.043. At minimum, the license shall state:

5.24 (1) the name of the license holder;

5.25 (2) the address of the program;

5.26 (3) the effective date and expiration date of the license;

5.27 (4) the type of license and the specific service the license holder is licensed to provide;

5.28 (5) the maximum number and ages of persons that may receive services from the program;

5.29 and

5.30 (6) any special conditions of licensure.

6.1 (b) The commissioner may issue a license for a period not to exceed two years if:

6.2 (1) the commissioner is unable to conduct the observation required by subdivision 4,  
6.3 paragraph (a), clause (3), because the program is not yet operational;

6.4 (2) certain records and documents are not available because persons are not yet receiving  
6.5 services from the program; and

6.6 (3) the applicant complies with applicable laws and rules in all other respects.

6.7 (c) A decision by the commissioner to issue a license does not guarantee that any person  
6.8 or persons will be placed or cared for in the licensed program.

6.9 (d) Except as provided in paragraphs (i) and (j), the commissioner shall not issue a  
6.10 license if the applicant, license holder, or an affiliated controlling individual has:

6.11 (1) been disqualified and the disqualification was not set aside and no variance has been  
6.12 granted;

6.13 (2) been denied a license under this chapter or chapter 142B within the past two years;

6.14 (3) had a license issued under this chapter or chapter 142B revoked within the past five  
6.15 years; or

6.16 (4) failed to submit the information required of an applicant under subdivision 1,  
6.17 paragraph (f), (g), ~~or (h)~~, or (j), after being requested by the commissioner.

6.18 When a license issued under this chapter or chapter 142B is revoked, the license holder  
6.19 and each affiliated controlling individual with a revoked license may not hold any license  
6.20 under chapter 245A for five years following the revocation, and other licenses held by the  
6.21 applicant or license holder or licenses affiliated with each controlling individual shall also  
6.22 be revoked.

6.23 (e) Notwithstanding paragraph (d), the commissioner may elect not to revoke a license  
6.24 affiliated with a license holder or controlling individual that had a license revoked within  
6.25 the past five years if the commissioner determines that (1) the license holder or controlling  
6.26 individual is operating the program in substantial compliance with applicable laws and rules  
6.27 and (2) the program's continued operation is in the best interests of the community being  
6.28 served.

6.29 (f) Notwithstanding paragraph (d), the commissioner may issue a new license in response  
6.30 to an application that is affiliated with an applicant, license holder, or controlling individual  
6.31 that had an application denied within the past two years or a license revoked within the past  
6.32 five years if the commissioner determines that (1) the applicant or controlling individual

7.1 has operated one or more programs in substantial compliance with applicable laws and rules  
7.2 and (2) the program's operation would be in the best interests of the community to be served.

7.3 (g) In determining whether a program's operation would be in the best interests of the  
7.4 community to be served, the commissioner shall consider factors such as the number of  
7.5 persons served, the availability of alternative services available in the surrounding  
7.6 community, the management structure of the program, whether the program provides  
7.7 culturally specific services, and other relevant factors.

7.8 (h) The commissioner shall not issue or reissue a license under this chapter if an individual  
7.9 living in the household where the services will be provided as specified under section  
7.10 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside  
7.11 and no variance has been granted.

7.12 (i) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued  
7.13 under this chapter has been suspended or revoked and the suspension or revocation is under  
7.14 appeal, the program may continue to operate pending a final order from the commissioner.  
7.15 If the license under suspension or revocation will expire before a final order is issued, a  
7.16 temporary provisional license may be issued provided any applicable license fee is paid  
7.17 before the temporary provisional license is issued.

7.18 (j) Notwithstanding paragraph (i), when a revocation is based on the disqualification of  
7.19 a controlling individual or license holder, and the controlling individual or license holder  
7.20 is ordered under section 245C.17 to be immediately removed from direct contact with  
7.21 persons receiving services or is ordered to be under continuous, direct supervision when  
7.22 providing direct contact services, the program may continue to operate only if the program  
7.23 complies with the order and submits documentation demonstrating compliance with the  
7.24 order. If the disqualified individual fails to submit a timely request for reconsideration, or  
7.25 if the disqualification is not set aside and no variance is granted, the order to immediately  
7.26 remove the individual from direct contact or to be under continuous, direct supervision  
7.27 remains in effect pending the outcome of a hearing and final order from the commissioner.

7.28 (k) Unless otherwise specified by statute, all licenses issued under this chapter expire  
7.29 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must  
7.30 comply with the requirements in section 245A.10 and be reissued a new license to operate  
7.31 the program or the program must not be operated after the expiration date. Adult foster care,  
7.32 family adult day services, child foster residence setting, and community residential services  
7.33 license holders must apply for and be granted a new license to operate the program or the

8.1 program must not be operated after the expiration date. Upon implementation of the provider  
 8.2 licensing and reporting hub, licenses may be issued each calendar year.

8.3 (l) The commissioner shall not issue or reissue a license under this chapter if it has been  
 8.4 determined that a Tribal licensing authority has established jurisdiction to license the program  
 8.5 or service.

8.6 (m) The commissioner of human services may coordinate and share data with the  
 8.7 commissioner of children, youth, and families to enforce this section.

8.8 (n) For substance use disorder treatment programs, for the purposes of paragraph (a),  
 8.9 clause (5), the maximum number of persons who may receive services from the program  
 8.10 includes persons served at satellite locations.

8.11 Sec. 3. Minnesota Statutes 2024, section 245A.042, is amended by adding a subdivision  
 8.12 to read:

8.13 **Subd. 7. Department of Human Services home and community-based services early**  
 8.14 **and often licensure and compliance team.** (a) The commissioner must establish and maintain  
 8.15 a home and community-based services early and often licensure and compliance team to  
 8.16 deliver proactive and coordinated support to applicants through the application process and  
 8.17 to license holders during the first year of operation of the licensed home and  
 8.18 community-based program. The commissioner must ensure that the home and  
 8.19 community-based services early and often licensure and compliance team has sufficient staff  
 8.20 and resources to perform the functions required under this subdivision. The commissioner  
 8.21 must ensure that the licensure and compliance team has members with expertise in licensing  
 8.22 requirements and members with expertise in medical assistance enrollment requirements,  
 8.23 medical assistance service delivery requirements, and medical assistance billing requirements.

8.24 (b) The home and community-based services early and often licensure and compliance  
 8.25 team must provide technical assistance to applicants regarding completing and submitting  
 8.26 license applications under this chapter and chapter 256D and medical assistance provider  
 8.27 enrollment applications under section 256B.04, subdivision 21.

8.28 (c) The home and community-based services early and often licensure and compliance  
 8.29 team must conduct an initial scheduled technical assistance visit three months after the  
 8.30 effective date of an initial license for the purpose of providing technical assistance to the  
 8.31 license holder. The team must provide technical assistance related to achieving and  
 8.32 maintaining compliance with the applicable laws, rules, and regulations governing the

9.1 provision of and reimbursement for home and community-based services under this chapter  
9.2 and chapters 245D, 256B, and 256S and waiver plans.

9.3 (d) The home and community-based services early and often licensure and compliance  
9.4 team must conduct three unscheduled visits after the beginning of the sixth calendar month  
9.5 following the effective date of an initial license and before the end of the eighteenth month  
9.6 following the effective date of an initial license.

9.7 (e) If during the technical assistance visit or during the following three unannounced  
9.8 visits, the team finds that the license holder has failed to achieve compliance with an  
9.9 applicable law, rule, or regulation, and the failure does not imminently endanger the health,  
9.10 safety, or rights of persons served by the program, the team may issue a licensing and  
9.11 compliance review report with recommendations for achieving and maintaining compliance.

9.12 (f) Nothing in this subdivision shall be construed to limit the commissioner's authority  
9.13 to:

9.14 (1) suspend or revoke a license or issue a fine at any time under section 245A.07 or issue  
9.15 correction orders and make a license conditional for failure to comply with applicable laws,  
9.16 rules, or regulations under section 245A.06 based on the nature, chronicity, or severity of  
9.17 the violation of a law, rule, or regulation and the effect of the violation on the health, safety,  
9.18 or rights of persons served by the program; or

9.19 (2) impose a sanction under section 256B.064 based on the nature, chronicity, or severity  
9.20 of the violation of law, rule, or regulation.

9.21 Sec. 4. Minnesota Statutes 2025 Supplement, section 245A.05, is amended to read:

9.22 **245A.05 DENIAL OF APPLICATION.**

9.23 (a) The commissioner may deny a license if an applicant or controlling individual:

9.24 (1) fails to submit a substantially complete application after receiving notice from the  
9.25 commissioner under section 245A.04, subdivision 1;

9.26 (2) fails to comply with applicable laws or rules;

9.27 (3) knowingly withholds relevant information from or gives false or misleading  
9.28 information to the commissioner in connection with an application for a license or during  
9.29 an investigation;

9.30 (4) has a disqualification that has not been set aside under section 245C.22 and no  
9.31 variance has been granted;

10.1 (5) has an individual living in the household who received a background study under  
 10.2 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that  
 10.3 has not been set aside under section 245C.22, and no variance has been granted;

10.4 (6) is associated with an individual who received a background study under section  
 10.5 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to  
 10.6 children or vulnerable adults, and who has a disqualification that has not been set aside  
 10.7 under section 245C.22, and no variance has been granted;

10.8 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) ~~or~~ (g), or (j);

10.9 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision  
 10.10 6;

10.11 (9) has a history of noncompliance as a license holder or controlling individual with  
 10.12 applicable laws or rules, including but not limited to this chapter and chapters 142E and  
 10.13 245C;

10.14 (10) is prohibited from holding a license according to section 245.095; or

10.15 (11) is the subject of a pending administrative, civil, or criminal investigation.

10.16 (b) An applicant whose application has been denied by the commissioner must be given  
 10.17 notice of the denial, which must state the reasons for the denial in plain language. Notice  
 10.18 must be given by certified mail, by personal service, or through the provider licensing and  
 10.19 reporting hub. The notice must state the reasons the application was denied and must inform  
 10.20 the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules,  
 10.21 parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the  
 10.22 commissioner in writing by certified mail, by personal service, or through the provider  
 10.23 licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the  
 10.24 commissioner within 20 calendar days after the applicant received the notice of denial. If  
 10.25 an appeal request is made by personal service, it must be received by the commissioner  
 10.26 within 20 calendar days after the applicant received the notice of denial. If the order is issued  
 10.27 through the provider hub, the appeal must be received by the commissioner within 20  
 10.28 calendar days from the date the commissioner issued the order through the hub. Section  
 10.29 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

10.30 Sec. 5. Minnesota Statutes 2024, section 256.01, is amended by adding a subdivision to  
 10.31 read:

10.32 **Subd. 45. Department of Human Services home and community-based services**  
 10.33 **provider support and technical assistance team. The commissioner must establish and**

11.1 maintain a home and community-based services provider support and technical assistance  
 11.2 team to deliver proactive and coordinated support to home and community-based services  
 11.3 providers. The commissioner must ensure that the home and community-based services  
 11.4 provider support and technical assistance team has sufficient staff and resources to perform  
 11.5 the functions required under this subdivision. The home and community-based services  
 11.6 provider support and technical assistance team must:

11.7 (1) serve as a provider liaison and help desk for providers' technical, regulatory, and  
 11.8 operational questions;

11.9 (2) develop training and onboarding materials for home and community-based services  
 11.10 providers;

11.11 (3) collect data on home and community-based provider challenges;

11.12 (4) coordinate the functions of the department, including information technology,  
 11.13 licensing, provider enrollment, service delivery oversight, and program integrity oversight  
 11.14 to clarify program requirements, provider requirements, and service requirements and to  
 11.15 support providers with compliance and prevention of fraud; and

11.16 (5) make recommendations to the commissioner regarding changes to the operations of  
 11.17 the department or to the design and implementation of home and community-based services  
 11.18 that would improve the delivery of services and improve program integrity.

11.19 **Sec. 6. [256B.044] ADDITIONAL PROVIDER ENROLLMENT TRAINING**  
 11.20 **REQUIREMENTS FOR HIGH-RISK PROVIDERS.**

11.21 Subdivision 1. **Applicability.** This section applies to any agency that provides a service  
 11.22 designated by the commissioner as high-risk under section 256B.04, subdivision 21. For  
 11.23 purposes of this section, "agency" means the legal entity that is applying to be or is enrolled  
 11.24 with Minnesota health care programs as a medical assistance provider according to Minnesota  
 11.25 Rules, part 9505.0195.

11.26 Subd. 2. **Mandatory training compliance.** (a) Effective January 1, 2027, before applying  
 11.27 for enrollment or reenrollment as a medical assistance provider, an agency applying to  
 11.28 provide services designated by the commissioner as high-risk must require all owners of  
 11.29 the agency who are active in the day-to-day management and operations of the agency and  
 11.30 managerial and supervisory employees to complete compliance training. All individuals  
 11.31 who must complete training under this subdivision must repeat the training prior to  
 11.32 revalidation of the agency as a medical assistance provider.

12.1 (b) New owners active in day-to-day management and operations of the agency and new  
 12.2 managerial and supervisory employees of the agency must complete compliance training  
 12.3 under this subdivision within 30 calendar days of becoming an owner of or employed by  
 12.4 the agency and prior to conducting any management and operations activities for the agency.  
 12.5 If an individual moves to another agency providing the same service and serves in a similar  
 12.6 ownership or employment capacity, the individual is not required to repeat the training  
 12.7 required under this subdivision. If the individual chooses not to repeat the compliance  
 12.8 training, the individual must provide the agency with documentation proving the individual  
 12.9 completed the compliance training within the provider revalidation schedule for the relevant  
 12.10 provider type as determined by the commissioner under section 256B.04, subdivision 21,  
 12.11 paragraphs (b) and (c).

12.12 (c) The commissioner must determine the format and content of the compliance training.  
 12.13 The training must include the following topics, adapted as necessary for each provider type  
 12.14 subject to the requirements of this subdivision:

- 12.15 (1) state and federal program billing, documentation, and service delivery requirements;  
 12.16 (2) enrollment requirements;  
 12.17 (3) provider program integrity, including fraud prevention, detection, and penalties;  
 12.18 (4) fair labor standards;  
 12.19 (5) workplace safety requirements; and  
 12.20 (6) recent changes in service requirements.

12.21 Sec. 7. Minnesota Statutes 2025 Supplement, section 256B.051, subdivision 6, is amended  
 12.22 to read:

12.23 Subd. 6. **Agency qualifications and duties.** An agency is eligible for reimbursement  
 12.24 under this section only if the agency:

- 12.25 (1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk  
 12.26 assessment under subdivision 6a;
- 12.27 (2) is enrolled as a medical assistance Minnesota health care program provider and meets  
 12.28 all applicable provider standards and requirements;
- 12.29 (3) demonstrates compliance with federal and state laws and policies for housing  
 12.30 stabilization services as determined by the commissioner;

13.1 (4) complies with background study requirements under chapter 245C and maintains  
 13.2 documentation of background study requests and results;

13.3 (5) provides at the time of enrollment, reenrollment, and revalidation in a format  
 13.4 determined by the commissioner, proof of surety bond coverage for each business location  
 13.5 providing services. Upon new enrollment, or if the provider's medical assistance revenue  
 13.6 in the previous calendar year is \$300,000 or less, the provider agency must purchase a surety  
 13.7 bond of \$50,000. If the provider's medical assistance revenue in the previous year is over  
 13.8 \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond  
 13.9 must be in a form approved by the commissioner, must be renewed annually, and must  
 13.10 allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain  
 13.11 monetary recovery or sanctions from a surety bond must occur within six years from the  
 13.12 date the debt is affirmed by a final agency decision. An agency decision is final when the  
 13.13 right to appeal the debt has been exhausted or the time to appeal has expired under section  
 13.14 256B.064;

13.15 (6) directly provides housing stabilization services using employees of the agency and  
 13.16 not by using a subcontractor or reporting agent;

13.17 (7) ensures all controlling individuals and employees of the agency complete annual  
 13.18 vulnerable adult training; and

13.19 (8) completes compliance training as required under section 256B.044, subdivision ~~6~~  
 13.20 2.

13.21 Sec. 8. Minnesota Statutes 2025 Supplement, section 256B.0701, subdivision 9, is amended  
 13.22 to read:

13.23 Subd. 9. **Provider qualifications and duties.** A provider is eligible for reimbursement  
 13.24 under this section only if the provider:

13.25 (1) is confirmed by the commissioner as an eligible provider after a pre-enrollment risk  
 13.26 assessment under subdivision 10;

13.27 (2) is enrolled as a medical assistance Minnesota health care program provider and meets  
 13.28 all applicable provider standards and requirements;

13.29 (3) demonstrates compliance with federal and state laws and policies for housing  
 13.30 stabilization services as determined by the commissioner;

13.31 (4) complies with background study requirements under chapter 245C and maintains  
 13.32 documentation of background study requests and results;

14.1 (5) provides at the time of enrollment, reenrollment, and revalidation in a format  
 14.2 determined by the commissioner, proof of surety bond coverage for each business location  
 14.3 providing services. Upon new enrollment, or if the provider's medical assistance revenue  
 14.4 in the previous calendar year is \$300,000 or less, the provider agency must purchase a surety  
 14.5 bond of \$50,000. If the provider's medical assistance revenue in the previous year is over  
 14.6 \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond  
 14.7 must be in a form approved by the commissioner, must be renewed annually, and must  
 14.8 allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain  
 14.9 monetary recovery or sanctions from a surety bond must occur within six years from the  
 14.10 date the debt is affirmed by a final agency decision. An agency decision is final when the  
 14.11 right to appeal the debt has been exhausted or the time to appeal has expired under section  
 14.12 256B.064;

14.13 (6) ensures all controlling individuals and employees of the agency complete annual  
 14.14 vulnerable adult training;

14.15 (7) completes compliance training as required under section 256B.044, subdivision 1  
 14.16 2; and

14.17 (8) complies with the habitability inspection requirements in subdivision 13.

14.18 **Sec. 9. MANDATORY COMPLIANCE TRAINING FOR CURRENTLY ENROLLED**  
 14.19 **HIGH-RISK MEDICAL ASSISTANCE PROVIDERS.**

14.20 The owners and employees of any medical assistance provider agency subject to the  
 14.21 requirements of Minnesota Statutes, section 256B.044, subdivision 2, and enrolled before  
 14.22 January 1, 2027, must complete initial compliance training by January 1, 2028. Owners and  
 14.23 employees of PCA and CFSS agencies who enrolled before January 1, 2027, and have  
 14.24 previously completed training under Minnesota Statutes, section 256B.0659, subdivision  
 14.25 21, paragraph (c), or 256B.85, subdivision 12, paragraph (c), are not subject to the initial  
 14.26 training requirements of this section but must repeat the compliance training prior to  
 14.27 revalidation as a medical assistance provider.

14.28 **Sec. 10. REPEALER.**

14.29 Minnesota Statutes 2025 Supplement, sections 256B.051, subdivision 6b; and 256B.0701,  
 14.30 subdivision 11, are repealed.

**256B.051 HOUSING STABILIZATION SERVICES.**

Subd. 6b. **Requirements for provider enrollment.** (a) Effective January 1, 2027, to enroll as a housing stabilization services provider agency, an agency must require all owners of the agency who are active in the day-to-day management and operations of the agency and managerial and supervisory employees to complete compliance training before applying for enrollment and every three years thereafter. Mandatory compliance training format and content must be determined by the commissioner and must include the following topics:

- (1) state and federal program billing, documentation, and service delivery requirements;
- (2) enrollment requirements;
- (3) provider program integrity, including fraud prevention, detection, and penalties;
- (4) fair labor standards;
- (5) workplace safety requirements; and
- (6) recent changes in service requirements.

(b) New owners active in day-to-day management and operations of the agency and new managerial and supervisory employees must complete compliance training under this subdivision to be employed by or conduct management and operations activities for the agency. If an individual moves to another housing stabilization services provider agency and serves in a similar ownership or employment capacity, the individual is not required to repeat the training required under this subdivision if the individual documents completion of the training within the past three years.

(c) Any housing stabilization services provider agency enrolled before January 1, 2027, must complete the compliance training by January 1, 2028, and every three years thereafter.

**256B.0701 RECUPERATIVE CARE SERVICES.**

Subd. 11. **Requirements for provider enrollment; compliance training.** (a) Effective January 1, 2027, to enroll as a recuperative care provider, a provider must require all owners of the provider who are active in the day-to-day management and operations of the agency and all managerial and supervisory employees to complete compliance training before applying for enrollment and every three years thereafter. Mandatory compliance training format and content must be determined by the commissioner and must include the following topics:

- (1) state and federal program billing, documentation, and service delivery requirements;
- (2) enrollment requirements;
- (3) provider program integrity, including fraud prevention, detection, and penalties;
- (4) fair labor standards;
- (5) workplace safety requirements; and
- (6) recent changes in service requirements.

(b) New owners active in day-to-day management and operations of the provider and new managerial and supervisory employees must complete compliance training under this subdivision to be employed by or conduct management and operations activities for the provider. If an individual moves to another recuperative care provider and serves in a similar ownership or employment capacity, the individual is not required to repeat the training required under this subdivision if the individual documents completion of the training within the past three years.

(c) Any recuperative care provider enrolled before January 1, 2027, must complete the compliance training by January 1, 2028, and every three years thereafter.